ANNUAL REPORT

for the fiscal year
ending March 31, 1984

Provincial Grain Commission

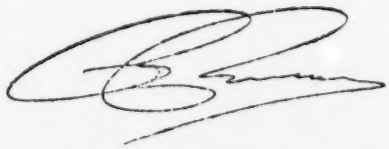
His Honour
The Honourable Alan R. Abraham, C.D.
Lieutenant Governor of the
Province of Nova Scotia
Government House
Halifax, Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Provincial Grain Commission for the fiscal year ended March 31, 1984.

I am, Your Honour,

Yours very truly,



Roger S. Bacon

The Honourable Roger Bacon
Minister of Agriculture & Marketing
Province of Nova Scotia
P.O. Box 190
Halifax, Nova Scotia
B3J 2M4

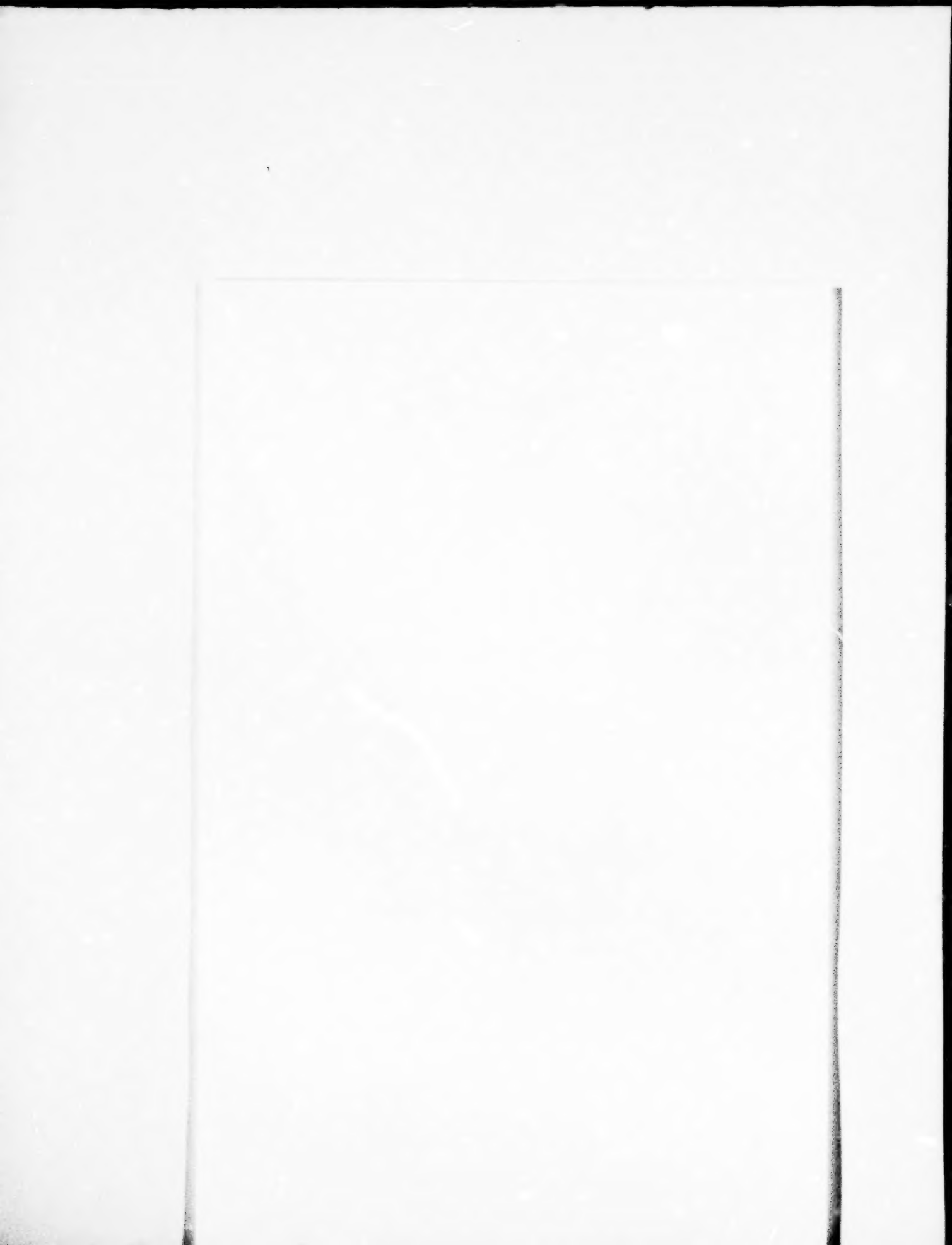
Dear Sir:

Presented herewith in accordance with Section 11(2) of the Provincial Grain Commission Act, is the Annual Report of the Provincial Grain Commission for the fiscal year ended March 31, 1984.

Respectfully submitted,

Ted Ueffing
Chairman

Robert E. Dechman
Secretary-Manager



PROVINCIAL GRAIN COMMISSION
ANNUAL REPORT
YEAR ENDING MARCH 31, 1984

Commission Members
T. Ueffing—Chairman
G. Coldwell—Vice-Chairman
T. Mattie
J. Peill
J. Johnson
W. Cock
G. Parker

Staff
R. Dechman—Secretary-Manager
S. Brown—Supervisor, Steam Mill Grain Centre
R. Quartermain—Grader
E. Canfield—Manager, Bayhead Grain Centre
M. Watters—Accounting Clerk

Background

The Provincial Grain Commission was established by an Act of the Legislature of Nova Scotia that was assented to by the Lieutenant Governor, May 19, 1977. Under the Act, grain means wheat, barley, oats, rye, corn, fababeans, soybeans, field peas, rapeseed, and such other crops as may be designated by the Governor in Council.

Objectives

The objectives and powers of the Commision as set down by the Act are:

(1) to buy, sell, store, dry, grade, distribute grain and promote grain production;
(2) to establish prices and make initial and final payments for grain purchased or marketed by the Commission;
(3) to acquire, hold or lease real and personal property;
(4) to erect buildings and other works necessary for the purchase, sale, drying, storage and handling of grain;
(5) to administer grain production incentive programs as requested by the Minister;

(6) to enter into and carry out agreements and arrangements for the use, operation, management and control of grain drying and storage facilities;
(7) to carry out such other functions and discharge such other duties as the Minister may from time to time approve or determine.

With the approval of the Governor in Council, the Commission has made regulations:

(a) respecting the conditions of purchase, sale and distribution of grain by the Commission;
(b) respecting the kinds, quantities, quality and dates of purchase of grain purchased by the Commission;
(c) fixing the dates of advance and final payments each year;
(d) fixing rates charged for drying, storage, grading and handling of grain handled by the Commission.

Summary

Grain Handling Facilities: The Commission operated three grain handling facilities in the province; one at Steam Mill, Kings Co., one at Bayhead, Colchester Co., and a third at Nictaux, Annapolis Co. The services of grading, drying, storage, assembling and shipping were provided to grain producers at all three locations. Protein evaluation was done on all loads of wheat delivered to the Steam Mill Grain Centre at the time of delivery. Samples from loads delivered to the other locations were completed after delivery.

Advance Payments: On July 20, 1983, the Commission established the rate of advance payment for the various grains and subsequently provided funds to the Nova Scotia Winter Grain Marketing Board for distribution to growers based on the amount of grain delivered. Advances were provided totalling $650,292.49.

Upgrading of Facilities: During the year additional storage was added at the Steam Mill Grain Centre, to bring total storage capacity to 6,200 tonne. Storage was also added at the Bayhead Grain Centre, bringing total storage there to 3,750 tonne. This increase in storage capacity at both locations will insure more efficient service to producers and reduce the cost of temporary storage normally required during the harvest season.

Producer Associations: Marketing for all grains was the responsibility of the Nova Scotia Winter Grain Marketing Board and a close working relationship between the Commission and the Board was maintained. This arrangement has further strengthened the approach to orderly marketing and permitted efficiencies in the operation of facilities and marketing pools.

Operational Report

Advance Payments: The following table outlines the funds used, the number of producers participating in the various marketing pools and the advances received by each pool.

Table I
ADVANCE PAYMENTS BY COMMODITY

	Tonnes		No. of Producers		Total Advances	
Type of Grain	1982-83	1983-84	1982-83	1983-84	1982-83	1983-84
Wheat	3,186	3,617	77	87	165,923.63	235,113.77
Rye	2,509	1,657	112	72	127,889.48	124,290.65
Barley	2,606	1,047	76	47	181,883.21	78,341.76
Oats	2,240	1,353	130	89	162,383.31	76,671.13
Corn	1,432	1,357	22	16	18,252.15	108,577.68
Soybeans	—	109	—	4		27,297.50
Total	11,973	9,140	417	315	656,432.78	650,292,49

Grain Handling Facilities: The volume of grain handled by the Commission is shown in the following tables and is broken down by type of grain, source and location.

Table II
GRAIN HANDLED STEAM MILL GRAIN CENTRE
(Tonnes)

	1982-83			1983-84		
Type of Grain	Local	Western	Total	Local	Western	Total
Winter Wheat	2,239.8	191.1	2,430.9	2,696.0	804.1	3,500.1
Rye	1,407.6	—	1,407.6	1,384.6	—	1,384.6
Barley	1,804.6	5,540.0	7,344.6	756.0	11,525.1	12,281.1
Oats	1,147.0	—	1,147.0	849.3	—	849.3
Corn	1,895.8	5,278.9	7,174.7	2,186.7	5,229.6	7,416.3
Canola	42.0	—	42.0	49.1	—	49.1
Canola Meal	—	93.2	93.2	—	114.7	114.7
Soybean Meal	—	—	—	—	1,442.9	1,442.9
Other*	—	1,447.5	1,447.5	—	763.8	763.8
Total	8,536.8	12,550.7	21,087.5	7,921.7	19,880.2	27,801.9

*includes soybean meal (1982-83)

Table III

GRAIN HANDLED BAYHEAD GRAIN CENTRE

(Tonnes)

	1982-83			1983-84		
Type of Grain	Local	Western	Total	Local	Western	Total
Wheat	515.8	—	515.8	296.8	453.3	750.1
Rye	700.5	—	700.5	210.1	—	210.1
Barley	606.3	348.3	954.6	616.1	1,089.5	1,700.6
Oats	810.1	—	810.1	840.2	—	840.2
Corn	—	105.4	105.4	—	50.3	50.3
Canola	—	—	—	47.5	—	47.5
Total	2,632.7	453.7	3,086.4	2,010.7	1,588.1	3,598.8

Table IV

GRAIN HANDLED NICTAUX GRAIN CENTRE

(Tonnes)

	1982-83			1983-84		
Type of Grain	Local	Western	Total	Local	Western	Total
Wheat	130.7	—	130.7	387.0	—	387.0
Rye	291.6	—	291.6	92.3	—	92.3
Barley	388.5	—	388.5	243.9	198.1	442.0
Oats	266.3	—	266.3	247.0	—	247.0
Corn	240.5	—	240.5	156.0	—	156.0
Total	1,317.6	—	1,317.6	1,126.2	198.1	1,324.3

Acknowledgements

The Provincial Grain Commission wishes to acknowledge the assistance received from producers and producer associations, in particular, the Nova Scotia Winter Grain Marketing Board, and the work it has done on behalf of all grain producers in the province.

The Commission wishes also to acknowledge the co-operation received from the milling industry and the livestock feed trade organizations in the province for their assistance in marketing and handling the local crop.

In conclusion, the Commission wishes also to acknowledge the effort by its operational staff, for the dedication to their work and effort they have put forward to serve their clientele.

FINANCIAL STATEMENTS
MARCH 31, 1984

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AUDITORS' REPORT

To the Chairman and Members of the
Provincial Grain Commission and to
the Minister of Agriculture and Marketing

I have examined the balance sheet of the Provincial Grain Commission as at March 31, 1984 and the statement of revenues and expenses and the statement of retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as modified by Note 2(a), applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Deputy Auditor General
Halifax, Nova Scotia
July 6, 1984

BALANCE SHEET
AS AT MARCH 31, 1984

Assets

	1984	1983
Current		
Cash (Note 3)	$ 447,506	$ 482,179
Short-term investments	250,000	50,000
Accounts receivable	108,756	151,431
Accrued interest	11,591	12,009
Advances receivable (Note 4)	650,292	656,433
Grain inventory (Note 2)	69,352	40,433
	$1,537,497	$1,392,485

LIABILITIES AND EQUITY

Current		
Accounts payable	$ 63,290	$ 35,520
Due to producers	8,305	7,832
	71,595	43,352
Long-Term		
Advance from Province of Nova Scotia	950,000	950,000
Retained Earnings	515,902	399,133
	$1,537,497	$1,392,485

APPROVED ON BEHALF OF THE BOARD

Chairman

Member

STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 1984

	1984	1983
Balance, beginning of year	$399,133	$300,729
Add: Net income	116,769	98,404
Balance, end of year	$515,902	$399,133

STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED MARCH 31, 1984

	1984	1983
Revenues		
Grain Centre revenues (Schedule A)	$274,623	$255,629
Profit on Commission owned grain	45,136	17,566
Other	570	(218)
	320,329	272,977
Expenses		
Grain Centre operating expenses (Schedule A)	399,172	400,502
Operating loss	78,843	127,525
Administrative expenses		
Construction and equipment purchases (Note 2)	678,662	114,468
Salaries	76,595	64,638
Travel and meetings	22,930	23,818
Office expenses	16,525	17,563
Provision for bad debts	1,182	1,345
Other	3,149	3,482
	799,043	225,314
Less: Interest income	48,225	38,495
	750,818	186,819
Loss before Government contribution	829,661	314,344
Contributions by the Province of Nova Scotia	946,430	412,748
Net income	$116,769	$ 98,404

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1984

1. The Provincial Grain Commission was established by the Provincial Grain Commission Act in 1977. Its purpose is to provide grain drying, storage and handling facilities for the farmers of Nova Scotia. At present, three facilities are in operation, one in Kentville, Kings Co., one in Tatamagouche, Colchester Co., and one in Middleton, Annapolis Co.

2. **Accounting Policies**

   a) Fixed Assets:

   These financial statements have been prepared in accordance with generally accepted accounting principles except that purchases of capital equipment and machinery are expensed in the year of acquisition. As well, costs relating to construction of facilities are expensed in the year incurred. Construction costs for expansion of existing facilities amounted to $678,662 during the 1983-84 year.

   b) Government Contributions:

   The Department of Agriculture and Marketing pays various operating and administrative expenses of the Provincial Grain Commission; as well, all capital expenses are paid by the Department of Agriculture and Marketing.

   c) Inventories:

   Grain inventories owned by the Commission are valued at the market price at March 31, 1984. Grains in storage on behalf of producers are not reflected in these financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1984

3. Cash

Cash includes both the general cash of the Provincial Grain Commission, as well as, the funds to be used for advance payments to producers to cover the costs of producing grains.

The Commission is authorized to make advance payments to producers through the Nova Scotia Winter Wheat Marketing Board. This program is funded by a $950,000 long-term advance from the Province of Nova Scotia. The advances are recovered when the Nova Scotia Winter Wheat Marketing Board sells the grains. As at March 31, 1984, $299,618 (March 31, 1983—$293,567) was still available to be advanced to producers.

	1984	1983
General operating accounts	$ 44,194	$ 90,510
Interest on advance payment account	103,694	74,932
Advance payment account	299,618	293,567
	$447,506	$482,179

4. Advances Receivable

Advances receivable at March 31, 1984 of $650,292 (March 31, 1983—$656,433) represent advances to the Nova Scotia Winter Wheat Marketing Board for distribution to producers under the advance payment program.

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
GRAIN CENTRE OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1984

SCHEDULE A

	Steam Mill		Bay Head		Nictaux		Total	
	1984	1983	1984	1983	1984	1983	1984	1983
Revenues								
Handling and drying fees	$212,470	$177,723	$ 46,356	$ 48,952	$15,797	$28,954	$274,623	$255,629
Operating Expenses								
Salaries	112,940	97,762	53,594	57,934	25,643	26,239	192,177	181,935
Insurance	25,520	15,455	5,568	8,151	1,897	2,429	32,985	26,035
Maintenance, rentals and repairs	34,034	32,190	23,067	18,582	12,057	17,123	69,158	67,895
Electricity	17,936	10,370	7,923	7,253	4,482	5,465	30,701	23,088
Fuel	38,653	33,507	10,131	18,098	4,674	5,625	53,458	57,230
Trucking	1,329	16,197	12,310	6,806	—	197	13,639	23,200
Storage	92	9,274	—	—	—	1,355	92	10,629
Other	913	2,656	685	1,155	5,364	6,679	6,962	10,490
	231,417	217,411	113,278	117,979	54,477	65,112	399,172	400,502
Operating loss	$ 18,947	$ 39,688	$ 66,922	$ 69,027	$38,680	$ 36,158	$124,549	$144,873